

**UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF MICHIGAN**

In the Matter of:

PURPLE EAST PLUS, INC.
(FEIN **-***6274)

Case No. 20-01470-jwb
Chapter 11
Hon. James W. Boyd

Debtor.

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**MICHIGAN UNEMPLOYMENT INSURANCE AGENCY'S OBJECTION TO
CONFIRMATION OF DEBTOR'S AMENDED PLAN OF REORGANIZATION
(DOC. NO. 114)**

The Michigan Unemployment Insurance Agency, by its attorneys, Dana Nessel, Attorney General, and Rebecca M. Smith, Assistant Attorney General, files this objection to confirmation of the Debtor's Combined Plan and Disclosure Statement (Doc. No. 99) ("Plan") and states:

1. The Debtor filed its petition under Chapter 11 of the Bankruptcy Code.
2. The business activities of the Debtor result in liabilities to the Agency for unemployment taxes pursuant to Mich. Comp. Laws § 421.1, *et seq.*
3. The Agency filed a claim of \$2,863.53, \$2,692.12 of which was priority (claim no. 10-1).
4. Section 511 from the Bankruptcy Abuse Prevention and Consumer Protection Act, 11 U.S.C. § 511 determines the rate of interest on tax claims. Section 511 states:

"If any provision of this title requires the payment of interest on a tax claim or on an administrative expense tax, or the payment of interest to enable a creditor to receive the present value of the allowed

amount of a tax claim, the rate of interest shall be the rate determined under applicable nonbankruptcy law.”

For the Agency, that rate of interest is one percent (1%) per month (twelve percent (12%) per annum) pursuant to Mich. Comp. Laws § 421.15.

5. Each tax claim must be paid under Bankruptcy Code 11 U.S.C. §1129(a)(9)(C) with interest as set forth under 11 U.S.C. § 511.

Objection

6. The Amended Plan provides for payments to the Agency for claim in the amount of \$2,863.53 at the rate of \$59.66 per month over the life of the four-year Plan. (Doc. 99, p. 7.) But the amount needed to satisfy the Agency’s \$2,863.53 claim plus interest at the statutory twelve percent per annum rate totals \$3,619.68. The monthly payments to the Agency should be increased to \$75.41 to satisfy the Agency’s claim and the applicable statutory interest.

Relief Requested

WHEREFORE, the Michigan Unemployment Insurance Agency requests that confirmation of Debtor's proposed Amended Plan be denied, that the Plan be modified to address this objection, and that the Michigan Unemployment Insurance Agency be granted such additional relief as is just and proper.

Respectfully submitted,

Dana Nessel
Attorney General

/s/ Rebecca M. Smith
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